

The opinion in support of the decision being entered today was not written for publication in a law journal and is not binding precedent of the Board.

Paper No. 9

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte JONATHAN BRANDON ALLEN

Appeal No. 2002-0349
Application No. 09/442,352

ON BRIEF

Before KRASS, JERRY SMITH and BARRETT, Administrative Patent Judges.

KRASS, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal from the final rejection of claims 1-5, 7-11, 17-28, 31-33 and 37-39.

The invention is directed to a system for ensuring payment of royalties for copyrighted data delivered over a communication network. In particular, the invention resolves the conflict between free access and payment of royalties by providing liberal

Appeal No. 2002-0349
Application No. 09/442,352

access to partially-degraded data suitable for browsing or research, and charging users a royalty to receive a higher quality version of the data suitable for other purposes.

Representative independent claim 1 is reproduced as follows:

1. A method of delivering data over a telephone communication network utilizing bidirectional communication while preserving widespread online access for a first class of use for limited purposed and ensuring proper payment of royalties for a second class of unrestricted use, the method comprising the steps of:

generating a partially-degraded version of the data suitable for the first class of use, but unsuitable for the second class of use, by altering a portion of the data to reduce its perceived quality when utilized;

providing the partially-degraded version of the data over the network to a customer online at a user terminal connected to the network in response to a customer request made utilizing the user terminal and transmitted over the network; and

providing a higher quality version of the data suitable for the second class of unrestricted use to the customer over the network if the customer is entitled to receive the higher quality version.

The examiner relies on the following references:

Stringer et al. (Stringer)	5,341,429	Aug. 23, 1994
Hornbuckle	5,388,211	Feb. 7, 1995
Ananda	5,495,411	Feb. 27, 1996

Claims 1-5, 7-11, 17-28, 31-33 and 37-39 stand rejected under 35 U.S.C. § 103 as unpatentable over Stringer in view of

Appeal No. 2002-0349
Application No. 09/442,352

either one of Hornbuckle or Ananda.

Reference is made to the brief and answer for the respective positions of appellant and the examiner.

OPINION

In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966), and to provide a reason why one having ordinary skill in the pertinent art would have been led to modify the prior art or to combine prior art references to arrive at the claimed invention. Such reason must stem from some teachings, suggestions or implications in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir.), cert. denied, 488 U.S. 825 (1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc. ,

Appeal No. 2002-0349
Application No. 09/442,352

776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985), cert. denied, 475 U.S. 1017 (1986); ACS Hosp. Sys., Inc. v. Montefiore Hosp., 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984).

These showings by the examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness.

Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444

(Fed. Cir. 1992). If that burden is met, the burden then shifts

to the applicant to overcome the prima facie case with argument

and/or evidence. Obviousness is then determined on the basis of

the evidence as a whole and the relative persuasiveness of the

arguments. See Id.; In re Hedges, 783 F.2d 1038, 1039, 228 USPQ

685, 686 (Fed. Cir. 1986); In re Piasecki, 745 F.2d 1468, 1472,

223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d

1048, 1052, 189 USPQ 143, 147 (CCPA 1976). Only those arguments

actually made by appellant have been considered in this decision.

Arguments which appellant could have made but chose not to make

in the brief have not been considered and are deemed to be waived

[see 37 CFR 1.192 (a)].

It is the examiner's position that Stringer discloses a method of generating a degraded version of data for allowing a user a trial or evaluation period that can subsequently be upgraded to a full feature version of the data upon a decision to

Appeal No. 2002-0349
Application No. 09/442,352

buy, referring to column 3, lines 55-61, of Stringer (see Paper No. 4-page 2).

The examiner recognizes that Stringer does not specifically refer to a system for delivering data to a user terminal over a telephone communication network utilizing bi-directional communication, as specified in the instant claims.

The examiner turns to either one of Hornbuckle or Ananda which teaches such a bi-directional communication system for delivering data to a user terminal. Hornbuckle and Ananda are directed to renting computer software.

The examiner concludes that it would have been obvious "to deliver data using a telephone communications network utilizing bi-directional communications as taught in [Hornbuckle or Ananda] for the delivery of the disabled and original versions of the material disclosed in Stringer in order to allow a user an opportunity to evaluate software before purchase while providing a convenient delivery system" (Paper No. 4-pages 3 and 4).

Appellant argues that Stringer discloses no bidirectional telephone communication network and no user terminals connected to such a network. While appellant recognizes that Stringer discloses that his invention may take "advantage of all

appropriate distribution channels" and that "broadcast channels" may be employed, appellant argues that neither of these approaches constitutes a "telephone communication network utilizing bidirectional communication" as in the instant claimed invention.

With regard to Hornbuckle and Ananda, appellant recognizes that both of these references address the rental of software but argues that no degraded version of the software is provided, concluding that there would have been no motivation to modify Stringer. Appellant contends that the secondary references "teach away" from the instant claimed subject matter and represent a failure of others working in the field, thus indicating nonobviousness. In particular, appellant points out that Hornbuckle does not recognize that it is desirable to provide a customer with anything less than a full version of the software, but provides a pay-on-usage system analogous to pay-for-view television. Appellant further points out that Ananda merely discloses a user at a remote computer downloading software for executing "the application software on the remote computer" only while electronically connected to the central rental facility (see brief-page 11).

We will sustain the examiner's rejections of the claims

Appeal No. 2002-0349
Application No. 09/442,352

under 35 U.S.C. § 103 because it is our view that the examiner has set forth a prima facie case of obviousness which has not been convincingly rebutted by appellant.

We do not find appellant's arguments to be persuasive of nonobviousness because they appear to be arguments against the references individually. It is not proper to argue the references individually where, as here, the rejection relies on a *combination* of references. In re Keller, 642 F.2d 413, 208 USPQ 871 (CCPA 1981).

In particular, appellant argues that Stringer does not disclose a telephone communication network utilizing bidirectional communication when the examiner relies on the secondary references for such a teaching and appellant argues that the secondary references do not teach providing anything but a full and undegraded version of the data when the examiner relies on Stringer for the teaching of providing a degraded and a full version of data, dependent on whether a fee has been paid. This is clearly an argument against individual references rather than an argument against what the combination of references would have fairly suggested. We are unpersuaded of any error in the examiner's rationale.

Although the examiner contends that the artisan would have been led to make the combinations in order to allow a user an opportunity to evaluate software before purchase "while providing a convenient delivery system" (Paper No. 4-pages 3 and 4), appellant maintains that Stringer did not recognize that this approach would be "convenient" and that Hornbuckle and Ananda "did not recognize the wisdom of two versions as taught by Stringer" (brief-page 11).

Again, we are unpersuaded of error in the examiner's position by appellant's argument since it is unimportant whether the individual references recognized specific teachings of other references. Rather, under a § 103 analysis, one looks to what the totality of the teachings of the applied references would have suggested to those skilled in the art.

In the instant case, we have Stringer's disclosure of the concept of providing two versions of certain data, an original form and a degraded, or "denatured," form, the denatured form providing limited use of material and the original form providing unrestricted use upon payment of a fee and being given an unlock code. We also note that Stringer provides for a "bidirectional" process (abstract) and that materials may be delivered over "broadcast channels" (column 4, line 51). Either one of

Appeal No. 2002-0349
Application No. 09/442,352

Hornbuckle or Ananda provides a teaching of permitting full use of data (i.e., software) over a bidirectional telephone communication network. It is clear to us that in view of all of these references being concerned with the provision of data remotely, the artisan would have recognized that the data, or software, could be equally provided over either broadcast channels or a telephone communication network in a bidirectional manner, with the payment of a fee being communicated in one direction and the provision of the purchased data/software in the other direction. The artisan would have been led by these teachings to provide the data (denatured and original) of Stringer over either a broadcast channel, as disclosed by Stringer, or a bidirectional telephone communication network, as suggested by either one of Hornbuckle or Ananda.

Appellant's alleged "arguments" regarding claims 3, 4, 8, 10, 11, 17, 19, 20, 21, 23, 25, 27, 28, 33 and 38, at page 12 of the brief, are not arguments at all but, rather, a mere restatement of what each of these claims recites and a general allegation that these limitations "are not taught and are not rendered obvious by the cited art." As such, since there is no argument, on the merits, against the rejection of these claims, as required by 37 CFR 1.192, these claims will fall together with

Appeal No. 2002-0349
Application No. 09/442,352

all the other claims.

The examiner's decision rejecting claims 1-5, 7-11, 17-28, 31-33 and 37-39 under 35 U.S.C. § 103 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

AFFIRMED

ERROL A. KRASS)	
Administrative Patent Judge)	
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JERRY SMITH)	BOARD OF PATENT
Administrative Patent Judge)	APPEALS AND
)	INTERFERENCES
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Appeal No. 2002-0349
Application No. 09/442,352

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